Modernisation of IISCO

373. SHRI CHATURANAN MISHRA :

SHRI GURUDAS DAS GUPTA :

Will tne Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that Government have not yet taken any decision on the modernisation proposal of Indian Iron and Steel Company;

(b) if so, what are the details tnereof and the reasons therefor;

(c) whether it is also a fact that the Managing Director of IISCO has expressed his desire for retirement from service due to the delay in accepting the modernisation proposal; and

(d) if so, what is Government's reaction thereto ?

THE MINISTER OF STEEL AND MINES WITH ADDITIONAL CHARGE OF THE MINISTRY OF LAW AND JUSTICE (SHRI DINESH GOSWAMI) : (a) and (b) No, Sir. Modernisation of Burnpur Works of IISCO stands approved in principle bv the Government. Tne Report from Japanese Consulting Companies entails very high capital costs. Therefore M/s. Dastur & Co. Ltd. have been entrusted with the task of giving a second professional opinion to Government on the approach to the modernisation investment. Government would like to have a most cost effective investment and optimum utilisation of indigenous capabilities.

(c) No, Sir.

(d) Does not arise.

Increase in the cost of Pepsi Project

374. SHRI CHATURANAN MISHRA : SHRI N.E. BALARAM :

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact tnat tne Project cost of Pepsi *Co.* was revised twice since its approval:

(b) if so, what was the original cost of the project and the details of the revisions made; and

(c) what are the reasons therefor ?

THE MINISTER OF TEXTILES WITH ADDITIONAL CHARGE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SHARAD YADAV) : (a) Government has approved revision in total equity in tne project only once.

(b) According to Punjab Agro Industries Corporation, the origi nal cost *of* the project was Rs. 21.50 crores and the revised cost is estimated to be Rs. 50 crores.

(c) According to M/s. Punjab Agro Industries Corporation the reasons for the increase in the pro ject cost are as follows;—

(1) The project profile has been substantially enhanced and significantly higher investments are proposed in tne core areas of fruit/ vegetable and grain processing.

(2) The investment in fixed assets such as land, equipment, plant and machinery and supporting infrastructural and ancillary facilities would be at higher levels.

(3) Since 1986, when the project was mooted, inflationary pressures nave increased the costs substantially.

(4) As part of tne export programme, they have proposed additional investment in product development.

(5) There has been significant devaluation of Indian rupee which •would also substantially inflate the project cost in rupee terms.

Coca Cela Proposal

375. SHRI K.V. THANGKABALU : Will tne Minister of COMMERCE be pleased to state:

(a) the date on wnich Coca Cola company applied for setting up a plant in the Export Processing Zone at NOIDA;

(b) what are the reasons for tne delay in clearing its application: and

(c) what is the status of the NOIDA proposal and how it is related to the other proposal put forward by the company ?

THE MINISTER OF COM MERCE AND TOURISM (SHRI ARUN KUMAR NEHRU): (a) 16th November, 1988.

(b) and (c) Coca Cola Company submitted a proposal to set up a unit in NOIDA Export Processing Zone for manufacture of ingredients for soft drink concentrate alongwith its proposal for additional .exports and setting up of another non FIRA unit in Madras Export Processing Zone for manufacture of items based on tea extracts. It has since been decided to reject the proposal of this Company.

376. *[Transferred to the 20 March 1990]*

Curb on recruitment of staff by RBI

377. SHRI N.E. BALARAM : SHRI GURUDAS DAS GUPTA:

Will the Minister of FINANCE be pleased to state :

(a) whether it is fact that the Reserve Bank of India has imposed fresh curbs on the recruitment of staff in the banks with effect from April, 1990; and

(b) if so, what are the reasons therefor ?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) and (b) Reserve Bank of India has recommended a slight tightening of norms for expansion of manpower in public sector banks in view of tne fact that there still exist pockets of surplus staff, particularly in Metropolitan and Urban areas and with a view to keep the productivity in Banks above the likeJy rise in establishment expenses consequent upon revision of wages etc. of bank employees.

Merger of STC and MMTC

378. SHRI VITHALBHAI M. PATEL: SHRI SURESH KALMADI :

Will the Minister of COMMERCE bs pleased to state:

(a) whether there is any proposal under Government's consideration to merge State Trading Corporption and Mineral and Metp.ls Trading Corporation into one Corporation;

(b) if so, what are the details thereof; and

(c) what are the reasons therefore?

THE MINISTER OF COMMERCE AND TOURISM (SHRI ARUN KUMAR NEHRU): (a) Government have decided to set up a Holding Company with State Trading Corporation & Mineral & Metals Trading Corporation becoming direct subsidiaries of the company.

(b) and (c) The formation of a Holding Company will achieve effective coordination in the functioning of the STC and MMTC The combined strength of the two organisations will be used force ully to aotive export interests of